

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0146-01  
Bill No.: SB 74  
Subject: Insurance - Medical; Health Care  
Type: Original  
Date: January 22, 2003

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**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2004</b> | <b>FY 2005</b> | <b>FY 2006</b> |
|   |                |                |                |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON STATE FUNDS</b>                          |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| <b>FUND AFFECTED</b>  | <b>FY 2004</b>    | <b>FY 2005</b>    | <b>FY 2006</b>    |
| Insurance Dedicated   | \$8,000           | \$0               | \$0               |
| Conservation  | (Unknown)*        | (Unknown)*        | (Unknown)*        |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>State Funds</b> | <b>(Unknown)*</b> | <b>(Unknown)*</b> | <b>(Unknown)*</b> |

\* Not expected to exceed \$100,000 annually.

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                          |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2004</b> | <b>FY 2005</b> | <b>FY 2006</b> |
|   |                |                |                |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2004</b> | <b>FY 2005</b> | <b>FY 2006</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the proposal requires health care plans to offer optional weight reduction counseling services. However, the Federal Government does not required Medicaid to cover these services. Therefore, DMS will not require managed health care plans to offer weight reduction counseling services without budget authority and assumes the proposal will have no fiscal impact on DMS.

Officials from the **Missouri Consolidated Health Care Plan** stated since this proposal does not mandate coverage, no fiscal impact is expected.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of this proposal on the MHP.

Officials from the **Department of Transportation** stated this proposal will have no fiscal impact on the Missouri Highway Transportation Commission. The Highway and Patrol Medical Plan is not expressly included in this proposal. However, section 104.80 RSMo, 2000, would require the Medical Plan to offer similar coverage. As a result, the Medical Plan would have to offer optional coverage for these individuals. Because this coverage would be optional, the total cost for this coverage would be passed ASSUMPTION (continued)

on to participants that choose the coverage and would have no fiscal impact to the Highway and Patrol Medical Plan.

Officials from the **Department of Insurance** stated the department estimates 160 insurers and HMOs would be required to submit amendments to their policies to comply with the proposal. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000. Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews, the department will need to request additional staff to handle the increase in the workload.

Officials from the **Department of Conservation (MDC)** state MDC interprets the proposal to require an option for the coverage to be made available to employees. Therefore, this proposal appears to have a potential impact on MDC funds that would not be expected to exceed \$100,000 annually.

**This proposal would result in an increase in Total State Revenue.**

| <u>FISCAL IMPACT - State Government</u> | FY 2004<br>(10 Mo.) | FY 2005 | FY 2006 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

**INSURANCE DEDICATED FUND**

|   |                |            |            |
|---|----------------|------------|------------|
| <u>Income - Department of Insurance</u> |                |            |            |
| Form filing fees                        | <u>\$8,000</u> | <u>\$0</u> | <u>\$0</u> |

|   |                       |                   |                   |
|---|-----------------------|-------------------|-------------------|
| <b>ESTIMATED NET EFFECT ON<br/>INSURANCE DEDICATED FUND</b> | <b><u>\$8,000</u></b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |
|---|-----------------------|-------------------|-------------------|

**CONSERVATION FUND**

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| <u>Costs - Department of Conservation</u> |                   |                   |                   |
| Increased state contribution              | <u>(Unknown)*</u> | <u>(Unknown)*</u> | <u>(Unknown)*</u> |

|  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| <b>ESTIMATED NET EFFECT ON<br/>CONSERVATION FUND</b> | <b><u>(Unknown)*</u></b> | <b><u>(Unknown)*</u></b> | <b><u>(Unknown)*</u></b> |
|--|--------------------------|--------------------------|--------------------------|

\* Not expected to exceed \$100,000 annually.

| <u>FISCAL IMPACT - Local Government</u> | FY 2004<br>(10 Mo.) | FY 2005 | FY 2006 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small insurance companies could be affected by this proposal. The estimated impact is unknown.

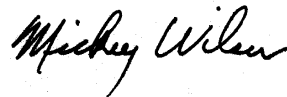
DESCRIPTION

This proposal requires insurance companies to offer optional coverage for weight reduction counseling services for persons who are 50 pounds or more overweight and have been diagnosed by a doctor that such excess weight is creating or will create health problems.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation  
Department of Social Services  
Department of Public Safety - Missouri Highway Patrol  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation



Mickey Wilson, CPA  
Director  
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